



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE

October 9, 2002

TREASURER ANGELIDES SELLS \$9 BILLION IN REVENUE ANTICIPATION NOTES

SACRAMENTO, CA – The State of California today sold \$9 billion in Revenue Anticipation Notes (RANs). The sale consisted of \$4.755 billion in fixed rate notes and \$4.245 billion in index notes – reportedly the largest single-day municipal debt issuance in history. The notes are being issued to support the State's cash flow management needs for the 2002-2003 Fiscal Year.

"We were pleased that investors' demand was so strong, and that interest rates were so low, for the State of California's RANs," said State Treasurer Phil Angelides. The total authorization for this year's RANs was \$12.5 billion, \$8 billion of which was scheduled for sale today. With such strong demand for the RANS today, the initial sale was increased to \$9 billion, with the remaining \$3.5 billion to be sold the week of October 28.

The RANs sold at a true interest cost of 1.74%, and include \$6 billion maturing on June 20, 2003 and \$3 billion maturing on June 27, 2003. Ratings on the two series are as follows:

Rating Agency	\$6 billion (June 20, 2003)	\$3 billion (June 27, 2003)
Fitch Ratings	F 1	F1
Moody's Investors Service	MIG 1	MIG 2
Standard & Poor's	SP-1	SP-1

The State sold the fixed rate notes in a negotiated sale led by Lehman Brothers. Goldman, Sachs & Co. was the senior manager for the index notes.

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